

1 **HOUSE OF REPRESENTATIVES - FLOOR VERSION**

2 STATE OF OKLAHOMA

3 1st Session of the 56th Legislature (2017)

4 COMMITTEE SUBSTITUTE
5 FOR
6 HOUSE BILL NO. 1836

By: Osborn (Leslie) of the
House

and

David of the Senate

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10 COMMITTEE SUBSTITUTE

11 An Act relating to amusements and sports; amending 3A
12 O.S. 2011, Section 262, which relates to certain
13 organization licensees; modifying provisions related
14 to authorized gaming; modifying authorized operating
hours; providing an effective date; and declaring an
emergency.

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17 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

18 SECTION 1. AMENDATORY 3A O.S. 2011, Section 262, is
19 amended to read as follows:

20 Section 262. A. If at least four Indian tribes enter into the
21 model tribal-state compact set forth in Section 281 of this title,
22 and such compacts are approved by the Secretary of the Interior and
23 notice of such approval is published in the Federal Register, the
24 Oklahoma Horse Racing Commission ("Commission") shall license

1 organization licensees which are licensed pursuant to Section 205.2
2 of this title to conduct authorized gaming as that term is defined
3 by this act pursuant to this act utilizing gaming machines or
4 devices authorized by this act subject to the limitations of
5 subsection C of this section. No fair association or organization
6 licensed pursuant to Section 208.2 of this title or a city, town or
7 municipality incorporated or otherwise, or an instrumentality
8 thereof, may conduct authorized gaming as that term is defined by
9 this act.

10 Notwithstanding the provisions of Sections 941 through 988 of
11 Title 21 of the Oklahoma Statutes, the conducting of and
12 participation in gaming in accordance with the provisions of this
13 act or the model compact set forth in Section 281 of this title is
14 lawful and shall not be subject to any criminal penalties. Provided
15 further, a licensed manufacturer or distributor licensed pursuant to
16 this act may manufacture, exhibit or store as a lawful activity any
17 machines or devices which are capable of being used to conduct the
18 following types of gaming:

- 19 1. Gaming authorized by the State-Tribal Gaming Act; or
- 20 2. Other gaming which may be lawfully conducted by an Indian
21 tribe in this state.

22 B. ~~Authorized~~ Except for Christmas Day, authorized gaming may
23 only be conducted by an organization licensee on days when the
24 licensee is either conducting live racing or is accepting wagers on

1 simulcast races at the licensee's racing facilities. ~~In any week,~~
2 ~~authorized gaming may be conducted for not more than one hundred six~~
3 ~~(106) total hours, with not more than eighteen (18) hours in any~~
4 ~~twenty-four-hour period.~~ Authorized gaming may only be conducted by
5 organization licensees at enclosure locations where live racing is
6 conducted. Under no circumstances shall authorized gaming be
7 conducted by an organization licensee at any facility outside the
8 organization licensee's racing enclosure. No person who would not
9 be eligible to be a patron of a pari-mutuel system of wagering
10 pursuant to the provisions of subsection B of Section 208.4 of this
11 title shall be admitted into any area of a facility when authorized
12 games are played nor be permitted to operate, or obtain a prize
13 from, or in connection with, the operation of any authorized game,
14 directly or indirectly.

15 C. In order to encourage the growth, sustenance and development
16 of live horse racing in this state and of the state's agriculture
17 and horse industries, the Commission is hereby authorized to issue
18 licenses to conduct authorized gaming to no more than three (3)
19 organization licensees operating racetrack locations at which horse
20 race meetings with pari-mutuel wagering, as authorized by the
21 Commission pursuant to the provisions of this title, occurred in
22 calendar year 2001, as follows:

23 1. An organization licensee operating a racetrack location at
24 which an organization licensee is licensed to conduct a race meeting

1 pursuant to the provisions of Section 205.2 of this title located in
2 a county with a population exceeding six hundred thousand (600,000)
3 persons, according to the most recent federal decennial census,
4 shall be licensed to operate not more than six hundred fifty (650)
5 player terminals in any year. Beginning with the third year after
6 an organization licensee is licensed pursuant to this paragraph to
7 operate such player terminals, such licensee may be licensed to
8 operate an additional fifty (50) player terminals. Beginning with
9 the fifth year after an organization licensee is licensed pursuant
10 to this paragraph to operate such player terminals, such licensee
11 may be licensed to operate a further additional fifty (50) player
12 terminals; and

13 2. Two organization licensees operating racetrack locations at
14 which the organization licensees are licensed to conduct race
15 meetings pursuant to the provisions of Section 205.2 of this title
16 located in counties with populations not exceeding four hundred
17 thousand (400,000) persons, according to the most recent federal
18 decennial census, may each be licensed to operate not more than two
19 hundred fifty (250) player terminals in any year.

20 Subject to the limitations on the number of player terminals
21 permitted to each organization licensee, an organization licensee
22 may utilize electronic amusement games as defined in this act,
23 electronic bonanza-style bingo games as defined in this act and
24 electronic instant bingo games as defined in this act, and any type

1 of gaming machine or device that is specifically allowed by law and
2 that an Indian tribe in this state is authorized to utilize pursuant
3 to a compact entered into between the state and the tribe in
4 accordance with the provisions of the Indian Gaming Regulatory Act
5 and any other machine or device that an Indian tribe in this state
6 is lawfully permitted to operate pursuant to the Indian Gaming
7 Regulatory Act, referred to collectively as "authorized games". An
8 organization licensee's utilization of such machines or devices
9 shall be subject to the regulatory control and supervision of the
10 Commission; provided, the Commission shall have no role in oversight
11 and regulation of gaming conducted by a tribe subject to a compact.
12 The Commission shall promulgate rules to regulate the operation and
13 use of authorized gaming by organization licensees. In promulgating
14 such rules, the Commission shall consider the provisions of any
15 compact which authorizes electronic gaming which is specifically
16 authorized by law by an Indian tribe. For the purpose of paragraphs
17 1 and 2 of this subsection, the number of player terminals in an
18 authorized game that permits multiple players shall be determined by
19 the maximum number of players that can participate in that game at
20 any given time; provided, however, that nothing in this act
21 prohibits the linking of player terminals for progressive jackpots,
22 so long as the limitations on the number of permitted player
23 terminals at each organization licensee are not exceeded. Each
24 organization licensee shall keep a record of, and shall report at

1 least quarterly to the Oklahoma Horse Racing Commission, the number
2 of games authorized by this section utilized in the organization
3 licensee's facility, by the name or type of each and its identifying
4 number.

5 D. No zoning or other local ordinance may be adopted or amended
6 by a political subdivision where an organization licensee conducts
7 live horse racing with the intent to restrict or prohibit an
8 organization licensee's right to conduct authorized gaming at such
9 location.

10 E. For purposes of this act, "adjusted gross revenues" means
11 the total receipts received by an organization licensee from the
12 play of all authorized gaming minus all monetary payouts.

13 F. The Oklahoma Horse Racing Commission shall promulgate rules
14 to regulate, implement and enforce the provisions of this act with
15 regard to the conduct of authorized gaming by organization
16 licensees; provided, regulation and oversight of games covered by a
17 compact and operated by an Indian tribe shall be conducted solely
18 pursuant to the requirements of the compact.

19 G. If an organization licensee operates or attempts to operate
20 more player terminals which offer authorized games than it is
21 authorized to offer to the public by this act or the terms of its
22 license, upon written notice from the Commission, such activity
23 shall cease forthwith. Such activity shall constitute a basis upon
24 which the Commission may suspend or revoke the licensee's license.

1 The Commission shall promulgate any rules and regulations necessary
2 to enforce the provisions of this subsection.

3 H. This act is game-specific and shall not be construed to
4 allow the operation of any other form of gaming unless specifically
5 allowed by this act. This act shall not permit the operation of
6 slot machines, dice games, roulette wheels, house-banked card games
7 or games where winners are determined by the outcome of a sports
8 contest.

9 SECTION 2. This act shall become effective July 1, 2017.

10 SECTION 3. It being immediately necessary for the preservation
11 of the public peace, health or safety, an emergency is hereby
12 declared to exist, by reason whereof this act shall take effect and
13 be in full force from and after its passage and approval.

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15 COMMITTEE REPORT BY: COMMITTEE ON APPROPRIATIONS AND BUDGET, dated
16 03/02/2017 - DO PASS, As Amended and Coauthored.

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